

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6917

BILL NUMBER: SB 406

NOTE PREPARED: Jan 3, 2012

BILL AMENDED:

SUBJECT: Recovery of Medical or Health Care Expenses.

FIRST AUTHOR: Sen. Eckerty

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: No Fiscal Impact

Summary of Legislation: This bill provides that in a personal injury or wrongful death action, the recovery of medical or health care expenses is limited to the amount actually paid or incurred by or on behalf of the claimant.

Effective Date: July 1, 2012.

Explanation of State Expenditures: This bill restates existing case law that governs what items can be included as medical expenses when determining payments for personal injury or wrongful death.

Background – Under current law, when a person (plaintiff) is injured or wrongfully killed, either the person or a representative of the person may sue the person (defendant) who caused the injury or death for any medical costs (damages) incurred. When determining the amount that the defendant should pay, the trier of fact (either the trial court or the jury) generally considers the damages incurred.

Under current law, medical write-offs, discounts, and other deductions from the gross amount charged for medical care may reduce potential payments payable by the defendant.

As an example, in a recent Indiana Supreme Court Case, \$11,570 was determined to be the amount of the damages. However, the court then ruled that since the plaintiff's insurance company received a \$4,750 discount from the plaintiff's medical providers, the plaintiff's award was reduced by that discount to \$6,820.

Since this portion of statute has remained unchanged, LSA does not anticipate any changes in payments by

state agencies and local governments based on this proposal.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State government.

Local Agencies Affected: Counties and municipalities.

Information Sources: Stanley v. Walker, Cause No. 41S01-0810-CV-539 (Ind. 2009).

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